Scheme. In the result, the Government balance which stood at Rs. 165·57 lakhs at the beginning of the year is expected to be reduced to Rs. 144·75 lakhs at its close.

BUDGET ESTIMATES FOR 1107.

10. I shall now pass on to the Budget Estimates for the next year. The revenue is estimated at Rs. 232·19 lakhs and an expenditure of Rs. 231·66 lakhs is provided for, thus leaving a small revenue surplus of Rs. ·53 of a lakh. The Capital receipts from the sale proceeds of Government lands are expected to amount to Rs. 4 lakhs and the programme of Capital expenditure is to cost Rs. 18·34 lakhs. There will thus be a net drawing of Rs. 13·81 lakhs from the balance at our credit, on account of the proposed expenditure on Capital Schemes.

REVENUE.

11. The total revenue for the next year is estimated at Rs. 232·19 lakhs as against the current year's estimate of Rs. 250·79 lakhs and the revised estimate of Rs. 233·18 lakhs. The estimated fall in revenue for the next year as compared with the actuals of 1105, the Budget Estimate and the revised estimate of 1106 is Rs. 15·04 lakhs, Rs. 18·60 lakhs and Rs. ·99 of a lakh, respectively. As compared with the revised estimate, the principal items which contribute to the fall are Taxes on Income (1·06), Customs (·82) and Currency and Mint (2·58).

12. *Taxes on Income.*—The revenue from this source is expected to be less than our anticipations this year by Rs. 1·06 lakhs, the estimated fall being mainly under income derived from business, due to the general trade depression as a result of the phenomenal fall in prices.

13. *Customs.*—The favourable conditions of the mud-bank at the Alleppey Port serve to attract trade throughout the year. There was an appreciable increase in the tonnage of the vessels calling at our ports as compared with last year. Though the volume of our export trade has been steadily increasing, it has been urged that our export tariff rates fixed at a time when the price of our raw materials was ruling high in the market, require revision. The present unprecedented fall in prices has indicated the need for a reduction of the tariff values on the more important articles of export. Government have therefore reduced, with effect from 5th Karkatakam 1106, the tariff values, for purposes of levy of export duty, of copra, cocoanuts, coir and cocoanut oil, by 20 per cent, of dry ginger, prawns and turmeric by 33 1/3 per cent, of unscraped ginger by 36 per cent, of cocoanut husk by 50 per cent and of lemon grass oil by 75 per cent. In view of the reduction in the tariff rates of our principal articles of export trade and making due allowances for a normal expansion in the export trade, the Customs revenue for the next year has been estimated at Rs. 34·95 lakhs or Rs. ·82 of a lakh less than our expectations for the current year.

14. *Currency and Mint.*—On account of the low balance of our silver coins in the treasuries, coins for the face value of Rs. 4 lakhs have been minted during the current year. As this stock is considered sufficient for the present, it is not proposed to mint silver coins next year.

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15. Slight increases in revenue are expected under the following major heads.

16. *Land Revenue.*—An improvement of a quarter of a lakh is anticipated. The demand under Ayacut revenue under normal conditions is Rs. 37·5 lakhs, but only Rs. 33·80 lakhs is budgeted for the next year.

17. *Excise.*—Excise revenue is expected to be better than the current year's expectations by Rs. 1·10 lakhs of which Rs. ·85 of a lakh is under Tobacco and Rs. ·25 of a lakh under Abkari and Opium. The budgeted revenue under Abkari and Opium is however only Rs. 29¼ lakhs as against the actuals of 1105 amounting to nearly Rs. 40 lakhs.

18. *Forest.*—The estimated revenue for the next year is Rs. 15·46 lakhs or Rs. ·46 of a lakh in excess of the current year's revised estimate. But, it is less than the actual receipts of 1105 by about Rs. 1¼ lakhs.

19. *Police.*—The motor buses are being examined at present by officials of other departments and by non-officials to whom one half of the fees realised in the case of the former and fees up to the maximum limit of the fees realised in the case of the latter, are being paid by charging the same to the head "Refund of Revenue" under Police. As it is proposed to appoint three more Traffic Inspectors in connection with the formation of a separate Traffic Department from the beginning of the next year, the examination of the buses will in future be conducted by the Traffic Inspectors of the Police Department and the entire receipts will be credited to the department. This accounts for an increase of about a quarter of a lakh.

20. *Railways*—The net receipts from the Shencotta-Trivandrum Railway for the year ended March 1931 amounted to Rs. ·27 of a lakh as against a *loss* of Rs. ·11 of a lakh for the previous year. It is observed that the earnings in all the sections of the South Indian Railway are on the decrease, due to reduced movement of grains, paddy, rice, piece-goods, etc. For the next year, a net receipt of only half a lakh is estimated.

EXPENDITURE CHARGED TO REVENUE.

21. For several years past, we were having revenue surpluses and though the surpluses in recent years have been reduced on account of our Capital outlay on productive works, we have no reason to be anxious about our financial position. It has been the aim to maintain a financial equilibrium, but that has not been attained by crippling the growth of important nation-building activities or starving the needs of progressive administration. Nevertheless, we are not free from anxiety as regards our revenue realisations next year on account of the effects of the world-wide economic depression which has already affected our country and our revenues, and with a view, as far as possible to be on the safe side, the budget proposals of the Heads of departments were subjected to a close and thorough scrutiny and only the essential requirements have been provided for. Drastic cuts to the extent of about

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